

July 3, 2012

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(Correction) Notice Concerning Monthly Exercise Status of Stock Acquisition Rights (with option to reset strike price) issued through Third Party Allotment (Target Issue Program “TIP” subject to Issuer’s approval for exercise)

Leopalace21 announces the following corrections on the “Notice Concerning Monthly Exercise Status of Stock Acquisition Rights (with option to reset strike price) issued through Third Party Allotment (Target Issue Program ‘TIP’ subject to Issuer’s approval for exercise)” announced on July 2, 2012. Corrected parts are marked with an underline.

Before corrections:

1. Name of SARs	Leopalace21 Corporation 1 st Series of Stock Acquisition Rights
2. Shares granted during subject month	<u>1,137,000</u> shares (<u>1,137,000</u> SARs)
3. Exercised face value during subject month and ratio of exercised to total SARs issued	<u>284,300</u> thousand yen (<u>8.12%</u> of total SARs issued)
4. Number of unexercised SARs as of the end of May 2012	14,000,000 SARs (14,000,000 shares)
5. Number of unexercised SARs as of the end of June 2012	<u>12,862,800</u> SARs (<u>12,862,800</u> shares)

6. Status of exercise during June 2012

Exercise date	Shares granted		Strike price (yen)	Total face value of exercise (thousand yen)
	New issues (shares)	Transferred Treasury stock (shares)		
June <u>20</u> (Wed)	500,000	—	250	125,000
June <u>29</u> (Fri)	<u>637,000</u>	<u>—</u>	<u>250</u>	<u>159,250</u>

* Shares outstanding as of May 2012: 175,443,915 shares (of which, Treasury stock: 4,569,120 shares)

7. Status concerning limitation of conversion (Compliance on limitation of conversion in pursuant to Corporate Code of Conduct #4)

① Cumulate number of shares granted (shares)	② Shares outstanding as of the date of SAR issue (shares)	③ Exercise ratio concerning limitation of conversion (①/②) (%)
<u>1,137,000</u>	175,443,915	<u>0.65</u>

After corrections:

1. Name of SARs	Leopalace21 Corporation 1 st Series of Stock Acquisition Rights
2. Shares granted during subject month	<u>500,000</u> shares (<u>500,000</u> SARs)
3. Exercised face value during subject month and ratio of exercised to total SARs issued	<u>125,000</u> thousand yen (<u>3.57%</u> of total SARs issued)
4. Number of unexercised SARs as of the end of May 2012	14,000,000 SARs (14,000,000 shares)
5. Number of unexercised SARs as of the end of June 2012	<u>13,500,000</u> SARs (<u>13,500,000</u> shares)

6. Status of exercise during June 2012

Exercise date	Shares granted		Strike price (yen)	Total face value of exercise (thousand yen)
	New issues (shares)	Transferred Treasury stock (shares)		
June <u>21</u> (Thur)	500,000	—	250	125,000

* Shares outstanding as of May 2012: 175,443,915 shares (of which, Treasury stock: 4,569,120 shares)

7. Status concerning limitation of conversion (Compliance on limitation of conversion in pursuant to Corporate Code of Conduct #4)

① Cumulate number of shares granted (shares)	② Shares outstanding as of the date of SAR issue (shares)	③ Exercise ratio concerning limitation of conversion (①/②) (%)
<u>500,000</u>	175,443,915	<u>0.28</u>

Reasons for the correction:

The exercise request of the subject SARs comes into effect on the date when the exercise request arrives as well as the date of the payment concerning the exercise is completed. This date should have been the basis of the monthly exercise status report, but instead only the date of exercise request arrival was applied, which is the reason for the correction.

The exercise on June 29 from the announcement before corrections will be announced in early August as exercise during July, dated July 2.

This translation is prepared for information purposes only. In the event of any inconsistency, the original terms in Japanese language should prevail.

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